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## MEMORANDUM FOR THE RECORD

Subject: DCI Worldwide Briefing

1. On 25 January in Room H-405, the Capitol, Judge William Webster, Director of Central Intelligence, appeared before the House Appropriations Committee, Defense Subcommittee. The Judge reviewed for the members present the Intelligence Community's judgments in certain key areas of national concern. The Director devoted the bulk of his presentation to recent political and economic developments in the Soviet Union and to its foreign and defense policies. In addition, the Director touched upon [REDACTED]

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[REDACTED] trends in Central America and international terrorism and narcotics. The briefing was held at the ~~SECRET~~ [REDACTED] level and a transcript was taken. [REDACTED]

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2. Agency personnel accompanying the Director to the session included: [REDACTED]

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Richard Kerr, Deputy Director of Central Intelligence  
Designee

Fritz Ermarth, Chairman of the National Intelligence  
Council

John Helgerson, Director of CIA Congressional Affairs

3. Members present included: [REDACTED]

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Rep. Jamie Whitten (D., MI), Chairman, House  
Appropriations Committee

Rep. John Murtha (D., PA), Chairman, Defense  
Subcommittee

Rep. Norman Dicks (D., WA)

Rep. Martin Sabo (D., MN)

Rep. Julian Dixon (D., CA)

Rep. Bob Livingston (R., LA)

Rep. Clarence Miller (R., OH)

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## 4. Staffers in attendance were:

John Plashal

Robert Davis

5. The Director emphasized both the scope of the reforms Gorbachev has instituted and the inherent danger they pose for his continued tenure in office. Despite changes in party structure which have served to increase Gorbachev's power, he still faces formidable opposition from sections of the bureaucracy. Moreover, his reforms of the economy have yet to result in marked improvement for the Soviet consumer, another potential source of opposition. Perhaps, most troublesome for the regime has been the unanticipated rise in ethnic tension accompanying reform attempts. Armenia and Azerbaijan are both under virtual martial law. While it is still far from certain that Gorbachev can keep Peristroyka moving forward, the Director stressed that reform of the Soviet economy remains the key to attempts to improve Soviet society. Beyond providing consumer goods, Gorbachev is particularly concerned about the country's ability to keep pace with scientific change in the West. Thus far the results of Gorbachev's reforms have been meager--with only 2% growth in GNP. [REDACTED]

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6. Judge Webster also reviewed for the Subcommittee a number of major innovations in Soviet foreign policy including:

Signing on to an INF treaty and agreeing to an intrusive on site inspection regime

Withdrawal of troops from Afghanistan

Announcement of significant cuts in Soviet conventional forces

Reapproachment with China

The Director stressed that in the midst of all these changes Soviet military goals and priorities will be more difficult to predict. Trends that need to be closely watched include attempts to strengthen party control over the military, reduction of defense outlays, changes in military doctrine, and further unilateral steps in conventional arms reduction. Meanwhile, the Director stressed that the Soviets continue to improve their strategic offensive capability--modernizing their intercontinental nuclear forces, deploying two new silo based ICBMs and a new strategic bomber. [REDACTED]

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9. In the case of Central America, the DCI indicated that the Sandinista dictatorship continues to consolidate its power. The rebels have little chance against the well-equipped Sandinista force of 79,000. In addition the resistance suffers from factionalism. For now the Nicaraguan leadership's most serious problem remains the economy with inflation running at 16,000 percent. To maintain minimal levels of consumption and help finance its heavy military burden, Nicaragua continues to rely on Soviet bloc aid, estimated at more than \$6 billion since 1980. [REDACTED]

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In El Salvador, the Duarte government is experiencing serious economic and security problems and uncertainty surrounding the outcome of the presidential election in March. The threat of terrorism from urban guerilla's--designed to undercut the democratic center--remains high. Panama's situation is also uncertain, with Noriega in control and the economy continuing to decline at an alarming rate. GNP is reportedly down 20 to 25 percent. Noriega's continued use of imprisonment, deportations and economic sanctions have weakened many to his opponents. It is probable that Noriega will remain in power for the foreseeable future. [REDACTED]

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10. The DCI ended his presentation by discussing international terrorism and the problem of illicit drugs.

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On the terrorism side, while countermeasures have helped in part to keep American casualties low, the root causes remain the same. There is little prospect that the hostages in Lebanon will be released and US interests almost anywhere remain potential targets. Good intelligence remains vital in the war against terrorism. Publicizing the involvement of patron states with terrorist groups has also proved somewhat successful. [REDACTED]

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With regards to drugs, not only has production reached record levels but the industry itself is becoming more widespread and more violent. Trafficking groups are acquiring paramilitary and terrorist capabilities--using these to murder officials they cannot buy off. In Peru, Colombia, and Bolivia narcotics organizations are undermining political institutions. The intelligence community's primary role in fighting drugs has been to provide both strategic and tactical intelligence to policymakers both to devise counternarcotics programs and to aid in specific operations. Special efforts are being devoted to uncover money-laundering operations. [REDACTED]

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11. The Members had a number of questions and comments following the Director's remarks. Mr. Dicks supported the notion that unilateral troop cuts in Europe would erode the confidence of our allies and indicated that rather than the Congress acting alone, decisions taken in concert with NATO would garner more support. In the area of arms control, a question was raised [REDACTED]

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Mr. Miller asked a number of questions about the Soviets acquiring Stealth technology. Mr. Kerr indicated that the [REDACTED]

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[REDACTED] In the area of satellites, the Soviets are probably not beyond research and development stage. At this point, Mr. Murtha submitted a question for the record dealing with how much the Soviets had to spend to counter Stealth technology. Mr. Hefner asked a number of questions about the continuing war on drugs and talked about the difficulty foreign leaders encountered in working with the US without jeopardizing their internal political position. Colombia was raised as an example where drug kingpins have launched a direct assault on [REDACTED]

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government institutions including the assassination of  
government leaders and bombing of the supreme court.

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12. The session ended approximately 1-1/2 hours after it  
began with the members expressing their appreciation for the  
briefing.

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